

Bill No. 36-07  
Concerning: Development Districts -  
Amendments  
Revised: 4-3-08 Draft No. 3  
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Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmember Trachtenberg and Council President Praisner

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**AN ACT** to revise the County development district law and conform related provisions of certain tax laws.

By amending  
Montgomery County Code  
Chapter 14, Development Districts

Chapter 52, Taxation  
Sections 52-54 and 52-55

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

**Sec. 1. Chapter 14 is amended as follows:**

**14-2. Purposes.**

(a) The purposes of this Chapter are to:

\* \* \*

(2) authorize the issuance of bonds or other obligations of the County that are payable from special assessments or special taxes collected, ~~[[or tax increments created,]]~~ in a development district;

\* \* \*

**14-3. Definitions.**

In this Chapter the following words have the following meanings:

~~[[\* \* \*]]~~

~~[[a)] Adequate Public Facility~~ means any infrastructure improvement required by the Planning Board as a condition of approving a preliminary plan of subdivision under Section 50-35(k) or identified in the ~~[[Annual]]~~ County Growth Policy as necessary for adequate public facilities approval in a development district.

~~[[b)]~~ \* \* \*

Administrative Expense means any expense incurred by any County department or office in connection with the administration or funding of a development district, including:

(1) any expense directly related to levying and collecting any special tax, special assessment, fee, or charge under this Chapter;

(2) any expense of complying with any arbitrage rebate requirement or disclosure requirement under federal or state law;

(3) an allocable share of the salary of any County employee who is primarily responsible for the administration or funding of a development district;

- (4) an allocable share of County administrative overhead related to the administration and funding of a development district; and
- (5) the fees and expenses of any fiscal agent employed by the County in connection with development district bonds.

[[c)] *Bond* means a special obligation or revenue bond, note, or similar instrument issued under this Chapter or any other law if the indebtedness evidenced thereby will be repaid from revenue generated by special assessments, special taxes, fees, or charges levied under this Chapter[, or special funds established under the Tax Increment Financing Act,]] in a development district.

[[d)] *Cost* means the aggregate dollar cost of:

\* \* \*

- (3) financing charges and interest before and during construction and, if the [[County]] Executive finds it advisable, for a limited period after completing construction; interest and reserves for principal and interest, including costs of municipal bond insurance and any other financial guaranty, [and] costs of issuance, and administrative expenses;

\* \* \*

- (7) [[administrative]] expenses necessary or incident to deciding whether to proceed with a district or any infrastructure improvement; and

\* \* \*

[[e)]

[[f)] *Development District* means a special taxing district created for the purposes listed in Section 14-2 and, if a resolution adopted under Section 14-9 creates one or more subdistricts in a development district, each subdistrict.

[[g)] *Infrastructure Improvement* means a school, police station, fire station, library, civic or government center, storm drainage system, sewer, water system, road, bridge, culvert, tunnel, street, transit facility or system, parking lot or facility, sidewalk, lighting, park, recreational facility, or any similar public facility, and the land where it is or will be located.

[Infrastructure Improvement does not include any improvement which:

(1) primarily serves the residents or occupants of only one development or subdivision; or

(2) is the responsibility of a single developer under the Planning Board's site plan and adequate public facilities requirements.]

[[ (h) ]] \* \* \*

[[i]] \* \* \*

[[j)] \* \* \*

[(k)] *Special Fund* means an independent account in which special assessment, special tax, fee, or charge[, or tax increment] payments received for a development district are deposited and, if a resolution adopted under Section 14-9 creates one or more subaccounts in a special fund, each subaccount.

[[ (1) ]] \* \* \*

[[ (m) *Tax Increment Financing Act* means the State Tax Increment Financing Act in Article 41 of the Maryland Code. ]]

[(n) *Tax Increment* means for any tax year the amount by which the assessable base as of the January 1 before that tax year exceeds the original taxable value, as provided in the Tax Increment Financing Act.]]

#### **14-4. Powers of County.**

In addition to any power granted under any other law, the County may, subject to applicable state law and this Chapter:

\* \* \*

(c) issue bonds and other obligations payable from[[:

(1)] special assessments, special taxes, fees, or charges, levied in any development district[[; or

(2) special funds established under the Tax Increment Financing Act]].

**14-6. First Council Resolution.**

(a) If a petition to create a development district signed by at least 80 percent of the owners of real property and the owners of at least 80 percent in value of the real property, as shown by the [[latest]] most recent assessment [[rolls]] records available from the State Department of Assessments and Taxation or any successor agency on the date the petition is filed, located in a proposed development district, is filed with the [[County]] Council, the Council must hold a public hearing after at least 15 days notice in two newspapers of general circulation in the County. The petition must specify the boundaries of the proposed district and list the maximum number of housing units and the maximum nonresidential space that the signing property owners intend to build in the district.

(b) Alternatively, the [[County]] Council, on request of the [[County]] Executive or on its own motion, may hold a public hearing after giving notice as required in subsection (a). The notice must:

\* \* \*

(c) After holding a hearing under subsection (a), the Council, by resolution approved by the Executive, may declare its intent to [[establish]] create

a development district consisting of a specified geographic area. In the resolution the Council must explain why intensive development of and public investment in that area during the term of the district will benefit the public interest.

\* \* \*

(f) The adoption of a resolution under this Section does not:

(1) obligate the Council to create a development district; [[or]]

(2) confer any contract, property, or other right on any person; or

(3) limit a district to the area described in the resolution.

(g) After the Council has adopted a resolution under Section 14-6, the Executive may require any applicant for provisional adequate public facilities approval under Section 14-7 to pay one or more filing fees or provide other financial assurances, in amounts and installments set by Executive regulation, to cover all costs of:

(1) Executive review of the proposed district;

(2) preparation of the fiscal report required under Section 14-8; and

(3) preparation of any bond issue or other financing after the district is created.

**14-7. Planning Board review; compliance with adequate public facilities and Annual Growth Policy requirements.**

\* \* \*

(b) Within [[a reasonable time]] 180 days after receiving an application under subsection (a) and all information needed to review that application, the Board must jointly review for compliance with Section 50- 35(k) and the Growth Policy all developments located in the proposed district as if they were one development. The Board may extend the deadline in this subsection for another 90 days, by notifying

each applicant and the Executive and Council, if delays beyond the Board's control require more time to conduct the required review. The Council at any time may waive any applicable deadline under this Section if the public interest so requires. In [[that]] its review, the Board must apply all otherwise applicable standards and procedures. The Board may conditionally approve an application if it finds that the proposed district will meet all requirements under Section 50-35(k) and any added requirements which apply to a district under the Growth Policy. The Board may condition its approval on, among other things, the creation and funding of the district and the building of no more than the maximum number of housing units and the maximum nonresidential space listed in the petition filed under Section 14-6 or any later amendment to the petition.

\* \* \*

**14-8. Executive Fiscal Report.**

- (a) After the Planning Board has acted under Section 14-7(b) and within 180 days after the Executive has received all information necessary to review the application [[but before the Council holds a public hearing under Section 14-9(a), unless otherwise provided in the resolution adopted under Section 14-6]], the [County] Executive, after consulting the Superintendent of Schools with respect to school facilities and the Washington Suburban Sanitary Commission with respect to water and sewer facilities, must submit a report estimating:
- (1) the cost of each infrastructure improvement listed by the Planning Board under Section 14-7(c) or recommended by the Executive under subsection (b); and
  - (2) (A) the amount of revenue needed annually to [cover the

district's share of] finance all infrastructure improvements funded, fully or partly, by a district; and

- (B) the [estimated tax] rate for each [form of taxation] tax, assessment, fee, or charge available to the district that would produce the necessary revenue.

The Executive should compare these estimates to those submitted by the applicants under Section 14-7(a). The Executive may extend the 180-day deadline in this subsection for another 90 days, by notifying the Council, if delays beyond the Executive's control require more time to produce the required report. The Council at any time may waive any applicable deadline under this subsection if the public interest so requires.

- (b) In this report the Executive should also recommend whether to create a district, its boundaries if one is created, whether any subdistricts should be created in the district and, if so, their boundaries, which [[eligible]] infrastructure improvements [[listed by the Planning Board or otherwise]] the district should fully or partly fund, and alternative financing or revenue-raising measures.

#### **14-9. Second Council Resolution.**

- (a) The Council must hold a public hearing on the final resolution to create a development district not earlier than 45 days after the Planning Board has acted on all applications filed under Section 14-7 for that district.

- (b) (1) The Council must give notice of the hearing by:

- (A) advertisement in at least two newspapers of general circulation in the County at least 21 days before the hearing; and

- (B) [[notifying by]] first-class mail to the record owner of each



property located in the proposed district at the address shown on the [latest] most recent tax assessment [roll] records available 30 days before the hearing from the State Department of Assessments and Taxation or any successor agency. The Council must retain sufficient proof that each required notice was mailed. However, the failure of any property owner to receive notice by mail does not invalidate the adoption of a resolution under this Section or any later action by the Council or Executive.

(2) Each notice mailed under this subsection must include:

(A) a copy of the proposed resolution to [[establish]] create a district; and

(B) an estimated rate for any tax, assessment, fee, or charge proposed to fund infrastructure improvements for the district, or, if the estimated rate cannot reasonably be determined, a description of how the rate will be set.

\* \* \*

(c) If the Council intends to use special obligation debt to finance the district, and the district was initiated by the Council under subsection 14-6(b), before the Council adopts a resolution under this Section the Council must receive a petition to create a development district signed by at least 80 percent of the owners of real property and the owners of at least 80 percent in value of the real property, as shown on the latest tax assessment [[rolls]] records available from the State Department of Assessments and Taxation or any successor agency, located in the proposed district.

(d) If the district to be approved under this Section would extend beyond

the specified geographic area approved under Section 14-6(c), before the Council adopts a resolution under this Section the Council must also receive a petition to create the district signed by at least 80 percent of the owners of the real property and the owners of at least 80 percent in value of the real property located in the area added to the district, as shown on the latest tax assessment records available from the State Department of Assessments and Taxation or any successor agency.

[[d)]] (e) After the public hearing, the Council by resolution approved by the [[County]] Executive may create a development district. If the Executive disapproves a resolution within 10 days after it is adopted and the Council readopts it by a vote of six Councilmembers, or if the Executive does not act within 10 days after the Council adopts it, the resolution takes effect.

[[e)]] (f) \* \* \*

[[f)]] (g) \* \* \*

(h) An infrastructure improvement financed by a development district may include any infrastructure required by the Planning Board as a condition of project, preliminary, or site plan approval.

(i) A district may finance an infrastructure improvement which primarily serves residents or occupants of only one development or subdivision only if:

(1) the improvement also provides added transportation capacity, enhanced public services, or other significant public benefits to residents or occupants of one or more other developments or subdivisions; or

(2) (A) either the Planning Board or the Executive recommends that the district finance that improvement; and

(B) the Council concludes that the public interest justifies the district financing that improvement.

~~[(g)]~~ (j) The Council may amend a resolution adopted under this Section after giving notice as required by subsection (b), including notice by mail to each property owner in the district. [[An amended resolution requires Executive approval or Council readoption as provided in subsection (d).]] If the Executive disapproves an amended resolution within 10 days after it is adopted and the Council readopts it by a vote of 6 Councilmembers, or if the Executive does not act within 10 days after the Council adopts it, the amended resolution takes effect.

(k) A resolution adopted under this Section may create one or more subdistricts in a development district if the petition to create the development district filed under Section 14-6 was signed by at least 80 percent of the owners of real property and the owners of at least 80 percent in value of the real property located in the proposed subdistrict. All special taxes, assessments, fees, or charges levied on the properties located in any subdistrict must be dedicated to a subaccount of the special fund and used to fund the construction of specified infrastructure improvements in or which benefit the district. If any subdistrict is created, the resolution adopted under this Section must:

- (1) specify the boundaries of each subdistrict;
- (2) list the tax account number of each property in the subdistrict;
- (3) list the amount of each infrastructure improvement to be financed by special taxes, assessments, fees, or charges applicable in the subdistrict; and
- (4) create designated subaccounts in the special fund.

(l) The adoption of a resolution under this Section does not:

(1) obligate the County to finance any infrastructure improvement or levy any tax, assessment, fee, or charge in the development district; or

(2) confer any contract, property or other right on any person.

**14-10. Special Taxes and Assessments.**

[[\* \* \*]]

(a) A resolution adopted under Section 14-9 must also authorize the imposition of a special assessment, special tax, fee, or charge, or any combination of them, in the development district, at a rate designed to provide adequate revenues to:

(1) pay the principal of, interest on, and redemption premium, if any, on the bonds;

(2) [[and to]] replenish [[the]] any debt service reserve fund;

(3) pay the cost of any approved infrastructure improvement, or reimburse the County for the cost of any approved infrastructure improvement paid from other County funds;

(4) pay directly the cost of any approved infrastructure improvement built or funded other than by the County; and

(5) pay the administrative expenses of the development district [[or create a special fund under the Tax Increment Financing Act]].

The resolution may reserve the Council's authority to adjust any rate schedule.

(b) The resolution must provide, except when clearly inconsistent with state law, that:

(1) any property which is fully developed before the development district is created is exempt from any special assessment, special tax, fee, or charge imposed under this Chapter; and

(2) the owner of any property exempt from payment under paragraph (1) which is later developed more intensively and benefits from any development capacity attributable to infrastructure improvements financed by the district must pay any tax, fee, or charge that it would have otherwise paid under this Chapter.

[[In this subsection,]] Under paragraph (1), “fully developed” property does not include any property developed after the Council adopted a resolution under Section 14-6 by any property owner who signed a petition under subsection 14-6(a) or that owner’s successor in interest, and any such property is not exempt from any special assessment, special tax, fee, or charge imposed under this Chapter.

[[\* \* \*]]

(c) A special assessment or special tax must:

(1) be levied and collected in the same manner, for the same period or periods, and with the same date or dates of finality as otherwise provided by law; and

(2) end when all bonds issued for the district have been paid in full and the County has been fully paid for each infrastructure improvement built or funded by the County.

(d) The special assessments, special taxes, fees, or charges~~[[, or tax increments]]~~ authorized under subsection (a) must be payable as otherwise provided by law or (if state and County law are silent) as provided in the resolution adopted under Section 14-9~~[[, but not before any bonds are issued]]~~. Any special assessment, special tax, fee, or charge must not be levied until each infrastructure improvement to be financed or refinanced has been approved in the County capital improvements program.

324 [(e) The total amount of any development district special tax, special  
325 assessment, fee, or charge paid under this Chapter must be credited  
326 against:

- 327 (1) the development impact tax and construction excise tax imposed  
328 under Chapter 52, as applicable; and
- 329 (2) any other charge, fee or tax listed in the resolution adopted under  
330 Section 14-9 (including any front foot benefit charge, assessment,  
331 or tax imposed on construction) which is imposed by the County  
332 expressly to finance the costs of infrastructure improvements  
333 necessary to allow development.]

334 [(f)] [(e) \* \* \*]

335 (e) The resolution may establish procedures for the prepayment of any  
336 special tax, special assessment, fee, or charge levied in the district. The  
337 resolution also must, subject to modification by a resolution adopted  
338 under Section 14-13:

- 339 (1) specify (to the extent not already controlled by state or County  
340 law) the basis of and any exemptions from any special  
341 assessment, special tax, fee, or charge;
- 342 (2) set a maximum special assessment, special tax, fee, or charge  
343 applicable to each individual property in the district; and
- 344 (3) prohibit any increase in, or extension of the term of, the  
345 maximum special assessment, special tax, fee, or charge  
346 applicable to any individual property because of any delinquency  
347 or default by any other taxpayer.

348 (f) (1) [[If a district has issued special obligation bonds under this  
349 Chapter, a]] A taxpayer who did not sign a petition under Section  
350 14-6(a), [[or]] and that taxpayer's successor in interest, may defer

any special ad valorem tax on real property imposed to support that debt until the Planning Board approves a [[development plan or]] plan of subdivision or resubdivision for that taxpayer's property, or, if no subdivision plan is necessary, until the first building permit is issued for any building on the affected property.

(2) The Director of Finance and the taxpayer may agree on a payment schedule.

(3) The taxpayer must pay interest on any deferred tax at the rate set by law for unpaid real property taxes during each year that taxes are deferred.

#### **14-11. Special Fund.**

(a) The resolution creating a special fund under Section 14-9 must:

(1) pledge to the special fund the proceeds of any special assessment, special tax, fee, or charge levied under Section 14-10 [[or the tax increment]]; and

(2) require that proceeds from any special tax, special assessment, fee, or charge[[, or tax increment]] be paid into the special fund.

(b) When any bonds authorized by this Chapter with respect to a development district are outstanding, the County has not been reimbursed for the cost of any infrastructure improvement funded or reimbursed by the County, or the cost of any infrastructure improvement to be paid by the County directly from special assessments or special taxes have not been paid, funds in the special fund must be used in any fiscal year to pay the principal of, interest on, and redemption premium, if any, on the bonds, to pay or reimburse the County for infrastructure improvements, to pay administrative expenses,

and to replenish any debt service reserve fund established with respect to the bonds.

- (c) After the bonds authorized by this Chapter with respect to a development district are fully paid, the County has been reimbursed for the cost of any infrastructure improvement funded or reimbursed by the County, and the cost of any infrastructure improvement to be paid by the County directly from special assessments or special taxes has been paid, further special assessments, special taxes, fees, or charges must not be levied and the district terminates by operation of law. If the [[County]] Council so determines, any balance in the special fund must be paid to the general fund of the County.

- [[d) Any required infrastructure improvement fully funded in the first 4 years of the then- applicable Capital Improvements Program must not be funded with the proceeds of bonds issued under this Chapter, but must be constructed with other funds designated in the Capital Improvements Program.]]

**14-12. Bonds-Payment, Sinking Funds, Reserve Funds, Pledges and Other Financial Guaranties, Proceeds.**

- (a) If the resolution adopted under Section 14-13 so provides, the Executive must take all necessary actions to issue bonds under this Chapter, subject to the usual and customary requirements and procedures for issuance of special district bonds.

\* \* \*

- (c) If the resolution adopted under Section 14-9(c) provides for the issuance of bonds, the resolution [[must establish an adequate debt service reserve fund and]] may [[also]] authorize the Executive to:

- (1) establish sinking funds and debt service reserve funds;



(2) pledge other assets in and revenues from the district towards the payment of the principal and interest; or

(3) arrange for insurance or any other financial guaranty of the bonds.

(d) All proceeds received from any bonds issued must be applied solely towards:

(1) costs of the infrastructure improvements listed in the resolution adopted under Section ~~[[14-9(d)(2)]]~~ 14-9(f)(2);

\* \* \*

**14-13. Resolution; Investment of Special Fund or Sinking Fund; Tax Exemption.**

(a) In order to issue bonds, the ~~[[County]]~~ Council must adopt a resolution that:

(1) describes the ~~[[proposed]]~~ infrastructure improvements to be financed and states that the County has complied with the procedures in this Chapter;

\* \* \*

(4) specifies (to the extent not already controlled by state or County law) the basis of any special assessment, special tax, fee, or charge~~[[, or tax increment]]~~ in a development district, and any exemptions from a special assessment~~[[,]]~~ or special tax~~[[, or tax increment,]]~~ subject to any change in law that does not materially impair the district's ability to pay principal and interest and maintain adequate debt service reserves;

(5) declares that:

\* \* \*

(B) the projected special assessment, special tax, fee, or

charge[[, or tax increment]] revenue will be sufficient to retire the bonds, taking into account the value of land in the district; and

(6) \* \* \*

(B) [[limits the]] sets a maximum special assessment, special tax, fee, or charge applicable to [[any]] each individual property in a development district; and

\* \* \*

(b) To the extent not otherwise required by state law, the resolution may specify, or may authorize the [[County]] Executive by executive order to specify as needed:

\* \* \*

(c) The special fund and any sinking fund or reserve fund established by the County to provide for the payment of the principal of or interest on any bonds issued by the County under this Chapter [[must]] may be invested by the County fiscal officer having custody of the fund in the manner prescribed [[by Article 31, Sections 6 and 7]] under Article 95, Section 22 of the Maryland Code. Any fiscal officer having custody of the proceeds of the sale of any such bonds may invest the proceeds, pending their expenditure, as prescribed under Article 95, Section 22 [[of the Maryland Code]].

\* \* \*

(e) The adoption of a resolution under this Section does not:

(1) obligate the County to issue bonds; or

(2) confer any contract, property, or other right on any person.

**14-16. Administration of district; Termination.**

(a) The Executive must administer each district, prepare bond issues,

collect taxes and revenues, and oversee construction of infrastructure improvements. Chapter 11B does not apply to:

- (1) financing, acquiring, or building any infrastructure improvement under this Chapter; or
- (2) retaining consultants or other professional services in connection with financing any infrastructure improvement or administering any development district.

(b) Construction of each infrastructure improvement listed in the resolution creating a district must begin promptly when bond proceeds or other funds are available unless:

- (1) the approved Capital Improvements Program provides otherwise; or
- (2) the improvement is being or has already been built. [[Unless otherwise authorized by law, bidding and construction of infrastructure improvements must follow the County's usual process for constructing capital improvements.]]

(c) (1) The County may contract with the Revenue Authority or another public agency or [(subject to competitive procurement laws)] a private party, including [the Revenue Authority or owners] any owner of property in a development district, to construct or reimburse the cost of any infrastructure improvement when significant cost or time savings have resulted or are likely to result. In a contract under this subsection, the County may reimburse the cost of an infrastructure improvement as it is being built or after construction is complete.

(2) However, any reimbursement of construction costs under this subsection must not exceed the lowest of:

(A) the unencumbered appropriation available for that item;

(B) the actual construction cost of the item; or

(C) a fair and reasonable price developed under a cost/price analysis method used by the Office of Procurement.

- (d) If the County has not issued any bonds for a district created under this Chapter, or if all bonds issued to finance a district have been repaid, the County has been reimbursed for the cost of any infrastructure improvement funded or reimbursed by the County, and the cost of any infrastructure improvement to be paid by the County directly from special assessments or special taxes has been paid, the Council may terminate the district by resolution approved by the Executive. If the Executive disapproves a resolution within 10 days after it is adopted and the Council readopts it by a vote of ~~[[six]]~~ 6 Councilmembers, or if the Executive does not act within 10 days after the Council adopts it, the resolution takes effect.

**14-17. Disclosure; notices [to Buyers].**

- (a) A [contract to sell] seller of real property located in a development district or proposed development district (as defined in subsection (f)) must disclose to [the initial buyer, and] any [later] buyer during the life of any [special assessment, special tax, fee, or charge authorized] development district created under this Chapter[.];

(1) the amount of any special assessment, special tax, fee, or charge which the buyer must pay; or

(2) if that amount cannot readily be determined, a method of calculating the amount in sufficient detail to [[allow]] enable the buyer to estimate the maximum amount the buyer will pay currently and during the life of the district.

This disclosure must be made in any sale or lot reservation contract.

(b) The seller of any property located in a development district or proposed development district (as defined in subsection (f)) must specify in any advertisement, sales brochure, sign, or other sales material that the seller creates or authorizes, that:

(1) the property is or would be located in a development district; and

(2) any potential buyer should ask the seller about the additional taxes and other charges [[that]] for which a property owner in the district may be liable [[for]].

Each sales office and model home in a new housing development located in a development district or proposed development district (as defined in subsection (f)) must prominently display at least one sign that contains the information required under this subsection. [Any contract which does not disclose all items required by this Section is voidable at the option of the buyer before the date of settlement.] The information required under this subsection need not be included in a printed advertisement that is smaller than 16 square inches, or on the initial screen of an internet listing as long as the information appears elsewhere on that listing.

[(b)] (c) A notice in a contract of sale or similar document which prominently contains the heading “Notice of Special Tax or Assessment” [[in at least 14-point type]] and substantially conforms to the following text complies with [this Section] subsection (a):

Each year the buyer of this property must pay a special assessment or special tax imposed under Chapter 14 of the Montgomery County Code, in addition to all other taxes and assessments that are due. As of (date of this contract [of sale]),

the special assessment or special tax on this property amounts to  
or will not exceed (dollar amount in arabic numbers) each year.  
 As of (date of each scheduled or expected increase), the  
 assessment or tax is scheduled to increase to (amount of each  
 scheduled or expected increase). For further information on this  
 assessment or tax, the buyer can contact the County Department  
 of Finance at (current telephone number).

If an increase in any special assessment, special tax, fee, or charge is  
 likely to occur in the foreseeable future but the timing or amount of the  
 increase is not certain when the contract is signed, the notice must also  
 expressly disclose that fact.

[(c)] (d) [Before any bonds are issued under this Chapter] Promptly after the  
Council adopts a resolution under Section 14-9, the Director of Finance  
 must record among the land records of the County at the cost of the  
 development district a declaration encumbering all real property located  
 in the district and designating that property as subject to a development  
 district. The declaration must terminate when the Director records a  
 release stating that all bonds are fully repaid, the County has been  
reimbursed for the cost of any infrastructure improvement funded or  
reimbursed by the County, the cost of any infrastructure improvement to  
be paid by the County directly from special assessments or special taxes  
has been paid, and all other obligations of the County relating to the  
district have been satisfied. While the declaration is in effect, each deed  
to any real property located in the district must contain a notice that:  
(1) the property is located in a development district; and  
(2) a declaration filed in the County land records encumbers the  
property.

567        ~~[(d)]~~ (e) The Director of Finance must indicate on the real estate tax bill for  
 568                each property in a development district the amount of any special  
 569                assessment or special tax imposed on the property.

570        (f) Any notice or other information that this Section requires a seller to  
 571                provide for a property located in a development district must also be  
 572                provided if a development district has not been created but the property  
 573                is located in an area proposed to be included in a development district  
 574                by a petition filed under Section 14-6.

575        (g) Any contract which does not disclose all information required by this  
 576                Section is voidable at the option of the buyer before the date of  
 577                settlement.

578        (h) In addition to any other applicable remedy or penalty, any person who  
 579                does not comply with this Section is liable for any damages sustained by  
 580                a buyer or potential buyer because of that person's failure to provide  
 581                any required notice or information. However, a seller or the seller's  
 582                agent is not liable for an incorrect estimate of the amount of any tax,  
 583                assessment, fee, or charge disclosed under this Section if the seller  
 584                relied in good faith on a method approved or recommended by the  
 585                County to estimate that amount.

586        (i) The Office of Consumer Protection must enforce this Section as if it  
 587                were part of Chapter 11.

588        **Sec. 2. Sections 52-54 and 52-55 are amended as follows:**

589        **52-54.        Refunds.**

590        (a) Any person who has paid a development impact tax may apply for a  
 591                refund of the tax if:

592                (1) ~~[[The]]~~ the County has not appropriated the funds for impact  
 593                transportation improvements of the types listed in Section 52-58,

or otherwise formally designated a specific improvement of a type listed in Section 52-58 to receive funds, by the end of the sixth fiscal year after the tax is collected;

(2) ~~[[The]]~~ the building permit has been revoked or has lapsed because ~~[[of noncommencement of]]~~ construction did not start; or

(3) ~~[[The]]~~ the project has been physically altered, resulting in a decrease in the amount of ~~[[the development]]~~ impact tax due~~[[;~~ or~~]]~~.

~~[[~~(4) A declaration encumbering the property for which the development impact tax has been paid has been recorded in the County land records as required under Section 14-17(c) and the applicant is entitled to a credit under Section 52-55(d).~~]]~~

\* \* \*

**52-55. Credits.**

\* \* \*

~~[[~~(d) To the extent provided in Section 14-10(e), an applicant is entitled to a credit against the impact tax imposed by this Article for any development district special tax, special assessment, fee, or charge paid under Chapter 14 for property located in the development district for which a building permit is sought. In calculating the amount of the credit, a special tax, special assessment, fee, or charge imposed under Chapter 14 must be considered paid for a property when a declaration encumbering the property required under Section 14-17(c) has been recorded in the County land records.~~]]~~ Reserved.

\* \* \*

**Sec. 3. Applicability; interpretation.**

(a) Any amendment to County Code Chapter 14 made in Section 1 of this



Act applies to any action taken after this Act takes effect with respect to any development district created before or after this Act takes effect.

(b) Any amendment to County Code Chapter 14 made in Section 1 of this Act does not alter or affect any Council resolution adopted, or other action taken with respect to a development district, before this Act takes effect.

(c) Any amendment to County Code Chapter 14 made in Section 1 of this Act does not indicate that the previous version of a provision amended by Section 1 of this Act should be interpreted differently from the same provision as amended by Section 1 of this Act.

(d) Any notice or disclosure requirement in Section 14-17, as amended by Section 1 of this Act, applies to any sale contract signed, and any sales material or advertisement for sale disseminated, after this Act takes effect in any development district created, and in any proposed development district for which the Council adopted a resolution under Section 14-6, after January 1, 2001.

*Approved:*

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Michael J. Knapp, President, County Council

Date

*Approved:*

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Isiah Leggett, County Executive

Date

643 *This is a correct copy of Council action.*

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645

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Linda M. Lauer, Clerk of the Council

Date